

**NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
WEDNESDAY, JULY 3, 2024**

A meeting of the Board of Directors of the New Jersey Schools Development Authority (SDA or the Authority) was held on Wednesday, July 3, 2024 at 9:00A.M. in the Joseph A. McNamara Board Room at the offices of the Authority at 32 East Front Street, Trenton, New Jersey.

Participating were:

Robert Nixon, Public Member, Chairman

Juan Burgos (EDA)

Kevin Luckie (DCA)

David Moore (Treasury)

Bernard Piaia (DOE)

John Capo, Public Member

Daniel Gumble, Public Member

Lester Lewis-Powder, Public Member

Michael Maloney, Public Member

Mario Vargas, Public Member

Nicole Vecchione, Public Member

being a quorum of the Members. Mr. Capo, Mr. Gumble, Mr. Lewis-Powder, Mr. Maloney, Mr. Moore, Mr. Nixon and Mr. Piaia participated in the meeting by teleconference.

At the Chairman's request, Manuel Da Silva, chief executive officer; Donald Guarriello, vice president and chief financial officer; Janice Venables, vice president and assistant secretary; and Albert Barnes, chief counsel of the SDA participated in the meeting. Alexis Franklin of the Governor's Authorities Unit (GAU) also participated in the meeting.

## ***Pledge of Allegiance***

Led by the Chairman, the Members and all assembled stood and recited the Pledge of Allegiance.

The meeting was called to order by Mr. Nixon, who requested that Ms. Venables read the requisite notice of the meeting. Ms. Venables announced that the meeting notice had been sent to the *Trenton Times* and *Star-Ledger* at least 48 hours prior to the meeting, and was duly posted on the Secretary of State's bulletin board at 225 West State Street in Trenton, New Jersey and on the SDA Website. Ms. Venables then conducted a roll call and indicated that a majority of the Members of the Board were present.

## ***Approval of Meeting Minutes***

The Chairman presented for consideration and approval the minutes of the Board's June 5, 2024 Open Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Open Session minutes of the June 5, 2024 SDA Board meeting were approved with the Members' vote in favor of the resolution attached hereto as ***Resolution 3a.***

Mr. Nixon presented for consideration and approval the minutes of the Board's June 5, 2024 Executive Session meeting. A copy of the meeting minutes and a resolution had been provided to the Members for review in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Luckie, the Executive Session minutes of the June 5, 2024 SDA Board meeting were approved with the Members' unanimous vote in favor of the resolution attached hereto as ***Resolution 3b.***

## *Authority Matters*

### *CEO's Report*

Mr. Nixon asked Mr. Da Silva for the report of the CEO. Mr. Da Silva began his report acknowledging the passing of Epic Management, Inc.'s president John Epifano. He said that Mr. Epifano was a good man and management will pass along the information regarding the services.

Next, Mr. Da Silva gave an update on design-build projects in construction. He said that for the Millville High School addition and renovation project, installation of the replacement units started and is on schedule to be completed this summer. For the Perth Amboy High School project, he reported that punchlist items, HVAC commissioning, furniture deliveries and staff training will continue throughout this month. He added that management is working on finalizing the last certificate of occupancy required sign-off from the building department. With respect to the Plainfield Woodland Avenue Elementary School project, he said that the 11 month walk-through was conducted allowing for final close-out of the project. For the Union City New Grade 7-9 School project, he reported that the final design documents have been released. He added that concrete masonry units, electric, mechanical, electrical and plumbing activities continue on all floors.

Next, Mr. Da Silva gave an update on design-bid-build projects in the construction stage. He reported that for the Orange Cleveland Street Elementary School project, all systems (fire, security, etc.) and rooms are being completed and testing underway in preparation for final inspections which are schedule to start next week. He noted that final paving, playground and play surface installation are commencing, as well as IT installation.

Turning to projects with active early site preparation, Mr. Da Silva advised that the demolition permit was received for the Garfield New Elementary School project. For the Elizabeth New Elementary School project, he said demolition work is complete.

Turning to Authority events, outreach and other activities, Mr. Da Silva informed the Members that management is trying to coordinate a demolition ceremony at the Garfield site later this month. He added that management will advise the Members of the event date once the SDA has coordinated with District.

Mr. Da Silva said that he would like to remind the Members that they have been invited to attend the Perth Amboy High School ribbon cutting ceremony scheduled for the end of August. He said to advise Ms. Venables if you will be attending the event as soon as possible.

At this time, Mr. Gumble joined the call.

Lastly, Mr. Da Silva reported that the budget season is over as signaled by approval of the budget by the legislature and its execution by Governor Murphy. He said that he wanted to publicly thank Governor Murphy and the Legislature for the inclusion of \$50 million for SDA Capital Maintenance and Emergent Projects.

Mr. Luckie said that he toured the Perth Amboy High School and encouraged the Members to participate in the walk-throughs at the School. Mr. Nixon agreed with Mr. Luckie and said that the School is impressive. Mr. Da Silva added that the School was delivered ahead of schedule and under budget.

### ***Audit Committee***

Mr. Vargas reported that the Audit Committee met on June 17, 2024 at which time management provided the Committee with the May 2024 New Funding Allocation and Capital Plan Update. He said that there was a \$200,000 decrease in the 2011 Emergent Projects Reserve balance due to Board approval of the release of funds for the Newark University High School

emergent building envelope. He advised that there were no changes in any of the other SDA reserve balances during the reporting period.

Mr. Vargas then reported that the reserve balance for the Regular Operating Districts (RODs) decreased by \$200,000 during the reporting period due to additional Department of Education's (DOE) approval of round 5 ROD Grants.

Next, Mr. Vargas reported that SDA's internal auditors, led by Mohammed Kathawala, provided the Committee with the results of one final project audit. He noted that the audit was conducted to comply with the statutory requirement that capital portfolio projects with a state share over \$10 million be reviewed to assess whether state funds were expended in accordance with contractual terms, SDA practices and state regulations.

Mr. Vargas provided the Board with the May 2024 Monthly Financial Report. He advised the Members that the Authority's operating expenses (Actual vs. Budget) for the year-to-date period totaled \$6.6 million, down \$1.2 million as compared to the budget for the corresponding period. He explained that this decrease is mainly attributable to lower personnel costs, professional and other contracted services, information systems, SDA owned automobiles and facilities and general office expenses. He noted that the variance is partially offset by lower payroll expense allocation to project costs. He reported that the current full time equivalents (FTE) headcount is 129 through May 2023 representing a 12 FTE decrease compared to year-to-date budgeted headcount. Mr. Vargas then reported that school facilities project expenditures (Actual vs. Forecast) for the year-to-date period total approximately \$151.8 million, are \$40.2 million lower as compared to the capital spending forecast for the corresponding period. He advised the Members that this variance is the result of decreased spending in construction activity, grant agreements, project acquisitions and construction management services. He said that the decrease is offset by an increase in school furniture, fixtures and equipment. Mr. Vargas

said that project expenditures (Actual vs. Prior Year Actual), at \$151.8 million, are \$18.7 million higher when compared to the capital spending forecast for the corresponding prior year period. He advised that this variance is the result of an increase spending for property acquisition, school furniture, fixtures and equipment and grant agreements, partially offset by a spending decrease in construction work.

Mr. Vargas advised that, since program inception, 81.8% of the funds authorized for the SDA districts have been disbursed. Additionally, he noted that 96% of all SDA disbursements relate to school facilities projects, while 4% relate to operating expenses. He advised that the estimated value of active school facilities capital projects, along with emergent and regular operating district grant projects, is approximately \$1.55 billion.

Lastly, Mr. Vargas advised that, in compliance with the 2019 changes to the SDA By-laws and Audit Committee Charter, the CEO reported to the Committee regarding Authority personnel matters in his quarterly staffing report.

### ***School Review Committee***

The Chairman then asked Mr. Luckie to provide the report of the School Review Committee. Mr. Luckie said that the School Review Committee met on June 17, 2024 and July 1 and is advancing two items for Board consideration today. He said that the first matter for approval is a Release of Funds from Program Reserve for the Gloucester City (District) High School project (School or Project). By way of background, he said that the School, built in 1959, is an approximately 162,000 square foot facility that educates approximately 700 students in grades 9 through 12. He informed the Members that in April 2024, the District submitted a potential emergent project to Department of Education (DOE) for review to address roof conditions at the School. He advised that in June 2024 DOE, after confirmation of the emergent conditions in consultation with SDA, issued a Preliminary Project Approval for a project to

address the roof conditions at the School. He said that based upon the level of design work completed by the District's consultant, LAN Associates (LAN) and the lack of complexity of the project it was determined that delegation for the District's management of the project would be the most expedient and efficient means of completing the work. He reported that LAN reviewed the emergent conditions and developed scopes of work to address the roof conditions, and due to the age and condition of the building's existing roof, the scope calls for full replacement of roof areas over the D, E and F Wings of the School. He noted that the scope has been reviewed by SDA staff to ensure it adequately addresses the identified conditions and does not include work above that required to remedy the conditions. He said that the funding requested to address the emergent project at the School is \$6,528,000 thus necessitating Board approval. He advised that executive management and associated program staff recommend Board approval of the release of \$6,528,000 from the Program Reserve to address the emergent partial roof replacement project at the School.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas, the Board approved a Release of Funds from the Program Reserve for the Gloucester City High School emergent project with its unanimous vote in favor of ***Resolution 6a.***

Next, Mr. Luckie said that the second item for Board consideration will be discussed in Executive Session.

### ***Public Comments***

At this time Mr. Nixon announced that the public comments portion of the Meeting will commence consistent with the New Jersey Open Public Meetings Act. There being no public speakers, Mr. Nixon asked for a motion to adjourn the Open Session of the meeting into Executive Session. He asked Ms. Venables to announce the matters to be considered by the

Board in Executive Session. Ms. Venables advised that, the Board will adjourn into Executive Session to discuss two items. The first item is the SDA's Hiring Recommendation for the Role of SDA Vice President of Program and Construction Operations; and the second item is an approval of Change Order No. 2, Revised Final Project Charter, Release of Funds from Program Reserve and Reestablishment of Contract Value for the Union City Emerson Middle School Emergent Project. She said that the Board will vote on these matters upon return to Open Session.

Upon motion by Mr. Piaia and seconded by Mr. Vargas the Board unanimously voted to approve **Resolution No. 8.** and thereby adjourn the Open portion of the meeting into Executive Session.

Following the Board's return to Open Session, Mr. Nixon announced that in Executive Session the Board had discussed management's and the Audit Committee's recommendation for SDA's Hiring Recommendation for the Role of SDA Vice President of Program and Construction Operations.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Vargas and seconded by Mr. Luckie the Board, approved the hiring of Candidate A, as Vice President of Program and Construction Operations with the SDA with its unanimous vote in favor of **Resolution 5a.**

Next, Mr. Luckie announced that in Executive Session the Board had discussed management's and the School Review Committee's recommendation for approval of Change Order No. 2, Revised Final Project Charter, Release of Funds from Program Reserve and Reestablishment of Contract Value for the Union City Emerson Middle School emergent project.

A resolution pertaining to this matter was provided to the Board in advance of the meeting. Upon motion duly made by Mr. Burgos and seconded by Mr. Vargas the Board,



Change Order No. 2, Revised Final Project Charter, Release of Funds from Program Reserve and Reestablishment of Contract Value for the Union City Emerson Middle School emergent project with the SDA with its unanimous vote in favor of ***Resolution 6b***.

### ***Adjournment***

There being no further business to come before the Board, upon motion by Chairman Nixon and with unanimous consent, the meeting was adjourned.

**Certification:** The foregoing represents a true and complete summary of the actions taken by the Board of the New Jersey Schools Development Authority at its July 3, 2024 meeting.

/s/ Janice Venables  
Assistant Secretary